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No. 08-179

IN THE

Supreme Court of the United States

ECHOSTAR COMMUNICATIONS CORP., *et al.*,
Petitioners,

v.

TIVO INC.,
Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

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QUESTION PRESENTED

The question EchoStar presents was not pressed or passed upon in the court of appeals. The question EchoStar has preserved is:

Whether the Federal Circuit correctly held that on the facts of this case the district court did not abuse its discretion in refusing to allow EchoStar's expert to testify before the jury about the interpretation of patent claims, which this Court has made clear is a "purely legal" issue "exclusively within the province of the court." *Markman* v. *Westview Instruments, Inc.*, 517 U.S. 370, 372, 391 (1996).

CORPORATE DISCLOSURE STATEMENT

Respondent TiVo Inc. has no parent corporation. No publicly held company owns ten percent or more of TiVo's stock.

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BRIEF IN OPPOSITION

STATEMENT

EchoStar's Introduction and its Statement of the Case, though accurately recounting the basic facts of the proceedings below, are marred by inaccuracies, mischaracterizations, and material omissions. Errors of consequence will be addressed in detail in the argument section, but two particularly notable misstatements warrant prompt correction.

First, the court of appeals did not adopt any "categorical rule" (*e.g.*, Pet. 2) in this case about the admissibility of expert testimony. The court's entire discussion of EchoStar's argument regarding its invalidity expert, Nathaniel Polish, consists of two paragraphs. *See* Pet.

App. 44a-45a. The first paragraph describes EchoStar's argument and the district court's ruling, while the second explains why, on the facts of this case, that ruling was not an abuse of the district court's discretion. *See id.* at 44a ("We agree with TiVo that the district judge did not abuse his discretion in the way he ruled on the proper scope of Dr. Polish's testimony.").

Second, EchoStar repeatedly asserts that TiVo's infringement expert, Jerry Gibson, testified about the meaning (*i.e.*, the proper interpretation) of terms in the patent claims. *See* Pet. 10 ("Dr. Jerry Gibson[] testified as to the meaning of the court's claim construction[.]"); *see also* Pet. 2-3, 12, 13, 15. That is incorrect. Consistent with this Court's decision in *Markman* v. *Westview Instruments, Inc.*, 517 U.S. 370 (1996), which placed claim construction "exclusively within the province of the court," *id.* at 372, Dr. Gibson restricted his testimony to the factual question whether EchoStar's digital video recorders (DVRs) infringe TiVo's patent claims, as those claims were construed before trial by the district court. At trial EchoStar evidently recognized this, as it made no objection that Dr. Gibson was addressing claim construction. Nor, despite its assertions here, does EchoStar point to anything Dr. Gibson said that supposedly constituted a departure from the district court's interpretation of the claims.[1]

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[1] Relatedly, EchoStar refers to TiVo's experts having testified about "the meaning of terms that the court did not construe." Pet. 10-11; *see also* Pet. 11 ("unconstrued claims"). These references sound a theme prominent in EchoStar's briefing to the court of appeals, namely that the district court erred in failing to construe certain patent terms. Although EchoStar's argument never had merit (as the court of appeals recognized), it is plainly irrelevant at this point because all of the patent terms that EchoStar

ARGUMENT

EchoStar asks this Court to review the Federal Circuit's purported adoption of "a patent-specific, categorical rule of evidence" (Pet. i), one that allegedly conflicts with other courts' application of the Federal Rules of Evidence and with an "admonition" (*id.*) of this Court. Review is unwarranted for several related but independent reasons.

1. First, as explained immediately below, EchoStar did not present to the court of appeals the issue it advances here, and accordingly that court never addressed EchoStar's argument. These circumstances alone are fatal to the petition, because this Court's "traditional rule ... precludes a grant of certiorari ... when the question presented was not pressed or passed upon below." *United States* v. *Williams*, 504 U.S. 36, 41 (1992) (internal quotation marks omitted); *see also, e.g.*, *United States* v. *United Foods, Inc.*, 533 U.S. 405, 416-417 (2001) (declining to consider an argument that "was not raised or addressed in the Court of Appeals" (internal quotation marks omitted)).

The question EchoStar now presents (Pet. i) concerns its supposed inability to introduce evidence regarding "key contradictions between the testimony of the plaintiff's infringement expert and the plaintiff's validity expert." In the court of appeals, however, EchoStar never alleged that such contradictions existed, nor did it complain that it had been prevented from introducing evidence at trial regarding them.

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pointed to in making the argument appear in claims 1 and 32 of TiVo's patent. As the petition states (at 15), the court of appeals ruled in EchoStar's favor on those claims.

EchoStar argued in its merits briefs that its validity expert, Nathaniel Polish, should have been allowed to criticize the testimony of TiVo's infringement expert, Jerry Gibson, and specifically should have been allowed to tell the jury that if TiVo's patent claims were infringed for the reasons Dr. Gibson gave, then the claims would be invalid. EchoStar C.A. Br. 67-68; EchoStar C.A. Reply Br. 29-32. EchoStar did not argue that Dr. Gibson's testimony conflicted with that of James Storer, TiVo's validity expert, let alone that it was impermissibly blocked from highlighting any such contradiction. Indeed, save for one passing reference, Dr. Storer was never mentioned in EchoStar's briefs—leaving EchoStar with no basis to complain now (*see* Pet. 3, 13, 18, 31) about its inability to cross-examine him as it wished.[2]

EchoStar is therefore wrong in stating (Pet. 16) that "[t]he court of appeals rejected petitioners' challenge to the exclusion of their expert testimony about the contradictions in the testimony by respondents' experts." The court of appeals could not have rejected such a challenge, because no such challenge was made. It cannot be made for the first time here.[3]

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[2] EchoStar did not challenge the validity of any of TiVo's patent claims in the court of appeals, but before trial it initiated a reexamination proceeding in the Patent and Trademark Office. *See* 35 U.S.C. § 302. That office confirmed the validity of all of TiVo's claims. *See, e.g.*, May Wong, *TiVo Wins Validation of Its Video Recorder Patent in Ongoing Dispute with EchoStar*, Associated Press, Nov. 29, 2007.

[3] The language quoted in the text also misleadingly suggests that EchoStar actually sought to offer "expert testimony about the contradictions in the testimony by respondent's experts." Pet. 16; *see also* Pet. 13, 18, 26. It did not. In fact, Dr. Polish testified *be-*

Nor did EchoStar raise the question it now presents when it sought rehearing in the court of appeals. Its rehearing petition did not contend that the court had adopted any "categorical rule," or that the panel's decision conflicted with the Federal Rules of Evidence or with any of the decisions from this Court or other circuits that EchoStar now cites. (Not one of those cases, and no rule of evidence, was cited in EchoStar's merits briefs below or in its rehearing petition.) In fact, EchoStar's rehearing petition made no mention at all of Dr. Polish. It pointed instead to an entirely different supposed conflict between the panel's decision and this Court's case law—an argument the court of appeals rejected without even requiring TiVo to file a response. EchoStar's failure to preserve for review the issue it now presents is clear.

2. Review is also unwarranted because the court of appeals did not, as EchoStar repeatedly insists, adopt any "categorical" (Pet. i, 2, 17, 25), "*per se*" (Pet. 24), or "sweeping" (Pet. 17) rule. Judge Bryson's opinion for the unanimous panel simply held—in a single paragraph of analysis—that the district court did not abuse its discretion in refusing to let EchoStar's invalidity expert, Dr. Polish, repeatedly refer to and criticize the testimony of TiVo's infringement expert, Dr. Gibson. Pet. App. 44a-45a. The court explained that "EchoStar was not denied the benefit of Dr. Polish's testimony on the issue of invalidity" because "Dr. Polish was free to testify about whether the prior art prac-

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fore Dr. Storer did, so without being recalled (which was never suggested), Dr. Polish could not have testified about "contradictions" between Dr. Storer's testimony and Dr. Gibson's.

ticed the claimed invention," *id.* at 45a, which was the relevant factual issue in EchoStar's invalidity defense.[4]

Seeking to manufacture something resembling a "categorical rule," EchoStar wrongly states that the Federal Circuit "held ... that a party's expert is 'prohibited from testifying about how the prior art relate[s] to [its opponent's expert's] view of the claims.'" Pet. 16 (alterations in original) (quoting Pet. App. 45a) (other internal quotation marks omitted). As a fuller excerpt from the opinion shows, the sentence that EchoStar quotes merely describes the district court's ruling on the issue. *See* Pet. App. 45a ("Dr. Polish was allowed to testify regarding how the prior art related to the claims as construed. He was prohibited from testifying about how the prior art related to 'Dr. Gibson's view of the claims.'").

Because the Federal Circuit's ruling was a factbound rejection of the factbound argument that Echo-

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[4] Indeed, the district court actually allowed much of the evidence and argument that EchoStar now claims was improperly excluded. For example, Dr. Polish testified that in conducting his "analysis of the validity of the claims, [he] look[ed] to how TiVo applied its allegations through Dr. Gibson to the EchoStar devices." 4/10/06 am Tr. 15. And EchoStar's counsel repeatedly argued to the jury that EchoStar's DVRs could infringe TiVo's patent only if the patent claims were read so broadly as to render them invalid. *See* 3/29/06 am Tr. 68-69 (opening statement) ("They are trying to move out the boundaries of what the patent and trademark office gave them. ... [I]f you let them do that, then these claims also read on all of the other DVRs that were out in the marketplace before TiVo even existed as a company[.]"); 4/7/06 pm Tr. 13 (mid-trial argument) ("[I]n order to say that we infringe, they have to [move out] the boundaries of their invention, as set by the claim[.]"); 4/13/06 Tr. 141-142 (similar statements during closing argument, mentioning Dr. Gibson three times).

Star made to that court, the decision is unlikely to have any significant impact on patent litigation in "district court[s] across the country." Pet. 30. There is no evidence to support EchoStar's dire predictions of disruption and unfairness, and thus no need for this Court's review.[5]

3. Finally, review is unwarranted because the limitation on Dr. Polish's testimony was proper.

a. Although EchoStar refers repeatedly to the Federal Circuit's "categorical rule," it is quite circumspect about what exactly that rule is and hence about what category of expert evidence the rule supposedly excludes. The reason for EchoStar's coyness is simple: The expert testimony EchoStar wanted to adduce concerned the proper construction of patent claims. Specifically, EchoStar wanted Dr. Polish to suggest to the jury that Dr. Gibson had departed during his testimony from the district court's claim construction, by having Dr. Polish testify that if the claims were construed in the way Dr. Gibson had testified, they would be invalid.

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[5] As to the importance of this case to the parties, EchoStar repeatedly raises the specter of the "potentially business-altering permanent injunction" imposed on it. Pet. 4, 19, 30. While TiVo agrees that the district court's injunction should alter EchoStar's business practices, EchoStar for months has been assuring investors and customers that the injunction will have *no* effect on its business because it has supposedly altered its DVR software so as to avoid infringing TiVo's patent. *See* DISH Network Press Release (Apr. 11, 2008) ("[T]he Federal Circuit['s denial of] rehearing ... will have no effect on our current or future customers because EchoStar's engineers have developed and deployed 'next-generation' DVR software to our customers' DVRs." (other internal quotation marks omitted)); EchoStar Amended Annual Report for 2007 (Form 10-K/A) at 39 (filed Feb. 27, 2008) (similar).

See Pet. 13 ("[Dr. Polish] would have testified that if the scope of respondent's patent claims was as broad as respondent's infringement expert, Dr. Gibson, had testified ..., then the patent claims were invalid[.]").

Such testimony had no place at trial. As this Court held a dozen years ago, claim construction is a question of law and hence properly resolved by the trial judge rather than the jury. *See Markman*, 517 U.S. at 372 ("The question here is whether the interpretation of a so-called patent claim ... is a matter of law reserved entirely for the court, or subject to a Seventh Amendment guarantee that a jury will determine the meaning of any disputed term of art about which expert testimony is offered. We hold that the construction of a patent, including terms of art within its claim, is exclusively within the province of the court."). EchoStar belatedly acknowledges this holding, stating near the end of its petition that "the court, rather than the jury, is charged with construing a patent's claims" and that "it is for the court to construe the claims." Pet. 32; *see also* Pet. 29. Yet EchoStar persists in arguing for the right to adduce expert testimony to the jury regarding claim construction, on two meritless grounds.

First, EchoStar notes that a court's claim construction may leave "a certain degree of ambiguity." Pet. 32. But residual ambiguity in a trial judge's legal instructions (a phenomenon hardly unique to patent litigation) does not entitle the parties to step in and fill the gaps. EchoStar's argument is a thinly disguised assault on *Markman*'s holding that claim construction is not a jury issue. There is no basis to revisit that holding—certainly not in a case in which petitioners did not present their argument below and even now do not forthrightly challenge this Court's precedent.

Second, EchoStar contends that Dr. Gibson offered the jury his own interpretation of the patent claims. *See* Pet. 10-11. As discussed above, *see supra* page 2, that is not correct. EchoStar nowhere cites testimony from Dr. Gibson that departed from the court's claim construction, and for good reason. Dr. Gibson properly limited his testimony to the factual question whether EchoStar's DVRs infringed TiVo's patent claims as construed by the court. Indeed, Dr. Gibson expressly stated (when asked by EchoStar on cross-examination) that he was "testifying according to the Court's claim construction." 3/31/06 am Tr. 72. This is undoubtedly why EchoStar never objected that any of Dr. Gibson's testimony improperly concerned claim construction.

More fundamentally, even if Dr. Gibson had offered his own views on the proper construction of the patent claims, EchoStar would not have been entitled to do the same with its expert. If one party believes that another is improperly invading the province of the district court, its recourse is to object and submit the matter for resolution by the court. It may not instead sit silently during the alleged offense, compound any initial problem by attempting to offer inadmissible evidence from its own witness, and then complain if that evidence is challenged and properly excluded. Hence, even accepting EchoStar's characterization of the Federal Circuit's ruling, that ruling is entirely consistent with *Markman*.

b. The ruling as EchoStar characterizes it is also consistent with the Federal Rules of Evidence (which EchoStar never cited to that court). As EchoStar says (Pet. 8, 20), under Rule 401 evidence is relevant if it tends to make any *fact* of consequence more or less probable. Because claim construction is a "purely legal" issue, *Markman*, 517 U.S. at 391, testimony about

it does not pertain to any fact of consequence. It is therefore not relevant. And Rule 402 provides that "[e]vidence which is not relevant is not admissible." Moreover, as EchoStar states (Pet. 20), whether expert testimony would "assist the trier of fact"—the core requirement for admissibility under Rule 702—"goes primarily to relevance," *Daubert* v. *Merrell Dow Pharms., Inc.*, 509 U.S. 579, 591 (1993). Because the excluded expert testimony would not have addressed a factual matter, it was irrelevant and therefore inadmissible under the rules of evidence.[6]

In arguing the contrary, EchoStar asserts that the fact of consequence to which Dr. Polish's testimony related was "whether the claims are being applied consistently." Pet. 26. EchoStar's careful choice of words warrants close scrutiny. EchoStar presumably uses the word "applied" because that is how the jury's task of comparing the construed patent claims to the allegedly infringing products is sometimes described. *See, e.g., Elbex Video, Ltd.* v. *Sensormatic Elecs. Corp.*, 508 F.3d 1366, 1370 (Fed. Cir. 2007) ("A determination of infringement is a two-step inquiry: first, the claims are construed [by the court], and second, the properly construed claims are applied [by the jury] to the accused devices."). But the "core patent principle" that EchoStar repeatedly invokes—consistency of the construction used to test both infringement and validity—concerns the legal issue of claim construction, not the

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[6] Even if the Federal Circuit's decision could be read as imposing a "categorical rule," therefore, the rule would simply be that—as the Federal Rules of Evidence dictate—expert testimony at trial about the "purely legal" issue of claim construction, *Markman*, 517 U.S. at 391, is irrelevant and thus inadmissible because it does not concern any fact of consequence.

factual issue of application. What the principle teaches, in other words, is that patent claims must be given the same *meaning* for infringement and validity purposes.

The petition itself acknowledges this point several times, both in the language it uses, *see* Pet. 3 (referring to "a fundamental tenet of patent law: that the *reading* of the claims ... must be consistent" for infringement and validity (emphasis added)); Pet. 7 ("A patent claim must be *construed* consistently for these two purposes[.]" (emphasis added) (other emphasis omitted)); Pet. 26 (similar), and in the cases it cites, *see Amgen Inc.* v. *Hoeschst Marion Roussel, Inc.*, 314 F.3d 1313, 1330 (Fed. Cir. 2003), *quoted in* Pet. 30 ("[C]laims are construed the same way for both invalidity and infringement[.]"); *Amazon.com, Inc.* v. *Barnesandnoble.com, Inc.*, 239 F.3d 1343, 1351 (Fed. Cir. 2001), *cited in* Pet. 18 (similar). EchoStar's careful phrasing notwithstanding, then, Dr. Polish's testimony—focusing on "Dr. Gibson's view of the claims," Pet. App. 45a—would indeed have related to the legal issue of claim construction. It thus did not pertain to any "fact that is of consequence" under Rule 401, and was properly excludible as irrelevant.

Furthermore, Dr. Polish's testimony would have created a substantial danger of jury confusion by incorrectly suggesting to the jury not only that Dr. Gibson had deviated from the court's claim construction, but also that it was the jury's role to construe the claims, rather than simply to apply the district court's claim construction. *See* Pet. App. 45a (referring to the danger of jury confusion). Even had the testimony been

relevant, then, its exclusion would have been proper under Rule 403.[7]

As this discussion demonstrates, there is no merit to EchoStar's generalized assertion that the Federal Circuit in this case departed from the decisions of other courts of appeals by "disregard[ing] the standards of relevance and admissibility under Rules 401, 402, and 403." Pet 24 (capitalization altered). To the contrary, the Federal Circuit's decision is entirely faithful to those rules—and likewise to this Court's "admonition" (Pet. i) that the rules apply the same way in patent cases as in others.

c. EchoStar contends finally (Pet. 32) that although claim construction is a legal issue for the court, "it is for the jury to apply the claim construction and decide the ultimate issues of infringement and validity," and juries, no less than judges, need expert assistance in doing so. These points do not help EchoStar. Juries do frequently require expert assistance in deciding the factual questions of infringement and validity (and here such assistance was provided). But that does not mean that experts should be allowed to testify before the jury about a "purely legal" issue (claim construction) that the jury does not decide. *Markman*, 517 U.S. at 391. Like the other experts who testified in this

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[7] EchoStar asserts (Pet. 28) that Rule 403 could not bar Dr. Polish's testimony because similar testimony had already been introduced by TiVo. As discussed, however, *see supra* page 9, Dr. Gibson offered no testimony regarding claim construction—and if he had then EchoStar's remedy would have been to object, not to accede to its admission and later demand the right to "clarif[y]" (Pet. 28) Dr. Gibson's testimony with improper testimony from Dr. Polish.

case, Dr. Polish was permitted to speak to the jury about the factual matters before it. He was prevented from addressing only a legal issue that was not the jury's concern.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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